

**United States Bankruptcy Court**  
**Northern District of California**

**Voluntary Petition**

Name of Debtor (if individual, enter Last, First, Middle): <b>Ariel Mushroom Farm, Inc.</b>	Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all) <b>77-0205020</b>	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all)
Street Address of Debtor (No. and Street, City, and State): <b>20 Hecker Pass Road</b> <b>Watsonville, CA</b>	Street Address of Joint Debtor (No. and Street, City, and State):
ZIP Code <b>95076</b>	ZIP Code
County of Residence or of the Principal Place of Business: <b>Santa Cruz</b>	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): <b>PO Box 2109</b> <b>Watsonville, CA</b>	Mailing Address of Joint Debtor (if different from street address):
ZIP Code <b>95076</b>	ZIP Code

<b>Type of Debtor</b> (Form of Organization) (Check one box)	<b>Nature of Business</b> (Check one box)	<b>Chapter of Bankruptcy Code Under Which the Petition is Filed</b> (Check one box)
<input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP)	<input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other	<input checked="" type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13
<input type="checkbox"/> Partnership  <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)	<b>Tax-Exempt Entity</b> (Check box, if applicable)	<input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding
	<input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).	<b>Nature of Debts</b> (Check one box)
		<input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.

<b>Filing Fee</b> (Check one box)	<b>Chapter 11 Debtors</b>
<input checked="" type="checkbox"/> Full Filing Fee attached  <input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.	Check one box: <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).
<input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.	Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,190,000.
	Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).

<b>Statistical/Administrative Information</b>												THIS SPACE IS FOR COURT USE ONLY
<input type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input checked="" type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.												
<b>Estimated Number of Creditors</b>												
<input checked="" type="checkbox"/> 1- 49	<input type="checkbox"/> 50- 99	<input type="checkbox"/> 100- 199	<input type="checkbox"/> 200- 999	<input type="checkbox"/> 1,000- 5,000	<input type="checkbox"/> 5,001- 10,000	<input type="checkbox"/> 10,001- 25,000	<input type="checkbox"/> 25,001- 50,000	<input type="checkbox"/> 50,001- 100,000	<input type="checkbox"/> OVER 100,000			
<b>Estimated Assets</b>												
<input checked="" type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion			
<b>Estimated Liabilities</b>												
<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input checked="" type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion			

<b>Voluntary Petition</b> <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): <b>Ariel Mushroom Farm, Inc.</b>
<b>All Prior Bankruptcy Cases Filed Within Last 8 Years</b> (If more than two, attach additional sheet)		
Location Where Filed: <b>- None -</b>	Case Number:	Date Filed:
Location Where Filed:	Case Number:	Date Filed:
<b>Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor</b> (If more than one, attach additional sheet)		
Name of Debtor: <b>- None -</b>	Case Number:	Date Filed:
District:	Relationship:	Judge:
<b>Exhibit A</b>		<b>Exhibit B</b> (To be completed if debtor is an individual whose debts are primarily consumer debts.) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. §342(b).
<input type="checkbox"/> Exhibit A is attached and made a part of this petition. 		<b>X</b> Signature of Attorney for Debtor(s) _____ (Date) _____
<b>Exhibit C</b> Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety? <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No.		
<b>Exhibit D</b> (To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.) <input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition. If this is a joint petition: <input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.		
<b>Information Regarding the Debtor - Venue</b> (Check any applicable box) <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.</li> <li><input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.</li> <li><input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.</li> </ul>		
<b>Certification by a Debtor Who Resides as a Tenant of Residential Property</b> (Check all applicable boxes) <ul style="list-style-type: none"> <li><input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)  <hr/> <p style="margin-left: 20px;">(Name of landlord that obtained judgment)</p> <hr/> <p style="margin-left: 20px;">(Address of landlord)</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and</li> <li><input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.</li> <li><input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).</li> </ul> </li> </ul>		

<b>Voluntary Petition</b> <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): <b>Ariel Mushroom Farm, Inc.</b>	
<p align="center"><b>Signatures</b></p> <p><b>Signature(s) of Debtor(s) (Individual/Joint)</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct.    [If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.    [If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b).</p> <p>I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p><b>X</b> _____ Signature of Debtor</p> <p><b>X</b> _____ Signature of Joint Debtor</p> <p>Telephone Number (If not represented by attorney) _____</p> <p>Date _____</p> <p align="center"><b>Signature of Attorney*</b></p> <p><b>X</b> <u>/s/ Henry B. Niles, III</u> Signature of Attorney for Debtor(s)</p> <p><u>Henry B. Niles, III 87974</u> Printed Name of Attorney for Debtor(s)</p> <p><u>Henry B. Niles III</u> Firm Name <b>340 Soquel Ave.</b> <b>Suite 105</b> <b>Santa Cruz, CA 95062</b></p> <p>Address _____</p> <p><b>831-457-4545 Fax: 831-457-4555</b> Telephone Number</p> <p><b>February 16, 2010</b> Date</p> <p>*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.</p> <p align="center"><b>Signature of Debtor (Corporation/Partnership)</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.</p> <p>The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p><b>X</b> <u>/s/ Doug Tanner</u> Signature of Authorized Individual</p> <p><u>Doug Tanner</u> Printed Name of Authorized Individual</p> <p><u>President</u> Title of Authorized Individual</p> <p><b>February 16, 2010</b> Date</p>			<p align="center"><b>Signatures</b></p> <p align="center"><b>Signature of a Foreign Representative</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition. (Check only one box.)</p> <p><input type="checkbox"/> I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. §1515 are attached.</p> <p><input type="checkbox"/> Pursuant to 11 U.S.C. §1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.</p> <p><b>X</b> _____ Signature of Foreign Representative</p> <p>Printed Name of Foreign Representative _____</p> <p>Date _____</p> <p align="center"><b>Signature of Non-Attorney Bankruptcy Petition Preparer</b></p> <p>I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.</p> <p>Printed Name and title, if any, of Bankruptcy Petition Preparer _____</p> <p>Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.)(Required by 11 U.S.C. § 110.) _____</p> <p>Address _____</p> <p><b>X</b> _____</p> <p>Date</p> <p>Signature of Bankruptcy Petition Preparer or officer, principal, responsible person,or partner whose Social Security number is provided above.</p> <p>Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual: _____</p> <p>If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.</p> <p><i>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.</i></p>

**United States Bankruptcy Court**  
**Northern District of California**

In re **Ariel Mushroom Farm, Inc.**

Debtor

Case No. \_\_\_\_\_

Chapter \_\_\_\_\_

**7**

**SUMMARY OF SCHEDULES**

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts of all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors must also complete the "Statistical Summary of Certain Liabilities and Related Data" if they file a case under chapter 7, 11, or 13.

NAME OF SCHEDULE	ATTACHED (YES/NO)	NO. OF SHEETS	ASSETS	LIABILITIES	OTHER
A - Real Property	<b>Yes</b>	<b>1</b>	<b>0.00</b>		
B - Personal Property	<b>Yes</b>	<b>3</b>	<b>13,251.77</b>		
C - Property Claimed as Exempt	<b>No</b>	<b>0</b>			
D - Creditors Holding Secured Claims	<b>Yes</b>	<b>1</b>		<b>91,863.35</b>	
E - Creditors Holding Unsecured Priority Claims (Total of Claims on Schedule E)	<b>Yes</b>	<b>2</b>		<b>14,720.00</b>	
F - Creditors Holding Unsecured Nonpriority Claims	<b>Yes</b>	<b>10</b>		<b>604,129.36</b>	
G - Executory Contracts and Unexpired Leases	<b>Yes</b>	<b>1</b>			
H - Codebtors	<b>Yes</b>	<b>1</b>			
I - Current Income of Individual Debtor(s)	<b>No</b>	<b>0</b>			<b>N/A</b>
J - Current Expenditures of Individual Debtor(s)	<b>No</b>	<b>0</b>			<b>N/A</b>
Total Number of Sheets of ALL Schedules		<b>19</b>			
			<b>Total Assets</b>	<b>13,251.77</b>	
					<b>Total Liabilities</b>
					<b>710,712.71</b>

**United States Bankruptcy Court**  
**Northern District of California**

In re **Ariel Mushroom Farm, Inc.**

Debtor

Case No. \_\_\_\_\_

Chapter 7

**STATISTICAL SUMMARY OF CERTAIN LIABILITIES AND RELATED DATA (28 U.S.C. § 159)**

If you are an individual debtor whose debts are primarily consumer debts, as defined in § 101(8) of the Bankruptcy Code (11 U.S.C. § 101(8)), filing a case under chapter 7, 11 or 13, you must report all information requested below.

- Check this box if you are an individual debtor whose debts are NOT primarily consumer debts. You are not required to report any information here.

**This information is for statistical purposes only under 28 U.S.C. § 159.**

**Summarize the following types of liabilities, as reported in the Schedules, and total them.**

Type of Liability	Amount
Domestic Support Obligations (from Schedule E)	
Taxes and Certain Other Debts Owed to Governmental Units (from Schedule E)	
Claims for Death or Personal Injury While Debtor Was Intoxicated (from Schedule E) (whether disputed or undisputed)	
Student Loan Obligations (from Schedule F)	
Domestic Support, Separation Agreement, and Divorce Decree Obligations Not Reported on Schedule E	
Obligations to Pension or Profit-Sharing, and Other Similar Obligations (from Schedule F)	
TOTAL	

**State the following:**

Average Income (from Schedule I, Line 16)	
Average Expenses (from Schedule J, Line 18)	
Current Monthly Income (from Form 22A Line 12; OR, Form 22B Line 11; OR, Form 22C Line 20 )	

**State the following:**

1. Total from Schedule D, "UNSECURED PORTION, IF ANY" column	
2. Total from Schedule E, "AMOUNT ENTITLED TO PRIORITY" column	
3. Total from Schedule E, "AMOUNT NOT ENTITLED TO PRIORITY, IF ANY" column	
4. Total from Schedule F	
5. Total of non-priority unsecured debt (sum of 1, 3, and 4)	

In re Ariel Mushroom Farm, Inc.,  
 Case No. \_\_\_\_\_,  
 Debtor

## SCHEDULE A - REAL PROPERTY

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a cotenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

**Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.**

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim." If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

Description and Location of Property	Nature of Debtor's Interest in Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption	Amount of Secured Claim
--------------------------------------	---	------------------------------------	--	-------------------------

**None**

Sub-Total > **0.00** (Total of this page)

Total > **0.00**

0 continuation sheets attached to the Schedule of Real Property

(Report also on Summary of Schedules)

Case: 10-51475 Doc# 1 Filed: 02/16/10 Entered: 02/16/10 15:54:59 Page 6 of 44

Copyright (c) 1996-2009 - Best Case Solutions - Evanston, IL - (800) 492-8037

Best Case Bankruptcy

In re **Ariel Mushroom Farm, Inc.**,  
Debtor

Case No. \_\_\_\_\_

## SCHEDULE B - PERSONAL PROPERTY

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "x" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petition is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

**Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.**

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property." If the property is being held for a minor child, simply state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
1. Cash on hand	X			
2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives.		<b>Wells Fargo General Business Checking Account</b>		<b>19.41</b>
		<b>Wells Fargo Bank Payroll Account</b>		<b>73.36</b>
3. Security deposits with public utilities, telephone companies, landlords, and others.	X			
4. Household goods and furnishings, including audio, video, and computer equipment.	X			
5. Books, pictures and other art objects, antiques, stamp, coin, record, tape, compact disc, and other collections or collectibles.	X			
6. Wearing apparel.	X			
7. Furs and jewelry.	X			
8. Firearms and sports, photographic, and other hobby equipment.	X			
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.	X			
10. Annuities. Itemize and name each issuer.	X			
				<b>Sub-Total &gt;</b>
				<b>92.77</b>
			(Total of this page)	

2 continuation sheets attached to the Schedule of Personal Property

Case: 10-51475 Doc# 1 Filed: 02/16/10 Entered: 02/16/10 15:54:59 Page 7 of 44

Copyright (c) 1996-2009 - Best Case Solutions - Evanston, IL - (800) 492-8037 Best Case Bankruptcy

In re **Ariel Mushroom Farm, Inc.**

Case No. \_\_\_\_\_

Debtor

**SCHEDULE B - PERSONAL PROPERTY**

(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
11. Interests in an education IRA as defined in 26 U.S.C. § 530(b)(1) or under a qualified State tuition plan as defined in 26 U.S.C. § 529(b)(1). Give particulars. (File separately the record(s) of any such interest(s). 11 U.S.C. § 521(c).)	X			
12. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars.	X			
13. Stock and interests in incorporated and unincorporated businesses. Itemize.	X			
14. Interests in partnerships or joint ventures. Itemize.	X			
15. Government and corporate bonds and other negotiable and nonnegotiable instruments.	X			
16. Accounts receivable.		<b>Accounts Receivable (Receivables on books, \$21,976.00 however, debtor believes \$13,817.00 of receivables is uncollectible)</b>		<b>8,159.00</b>
17. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.	X			
18. Other liquidated debts owed to debtor including tax refunds. Give particulars.	X			
19. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A - Real Property.	X			
20. Contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	X			
				Sub-Total > <b>8,159.00</b>
				(Total of this page)

Sheet 1 of 2 continuation sheets attached  
to the Schedule of Personal Property

Case: 10-51475 Doc# 1 Filed: 02/16/10 Entered: 02/16/10 15:54:59 Page 8 of 44

Copyright (c) 1996-2009 - Best Case Solutions - Evanston, IL - (800) 492-8037

Best Case Bankruptcy

In re **Ariel Mushroom Farm, Inc.**

Case No. \_\_\_\_\_

Debtor

**SCHEDULE B - PERSONAL PROPERTY**

(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.	X			
22. Patents, copyrights, and other intellectual property. Give particulars.	X			
23. Licenses, franchises, and other general intangibles. Give particulars.	X			
24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. § 101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes.	X			
25. Automobiles, trucks, trailers, and other vehicles and accessories.	X			
26. Boats, motors, and accessories.	X			
27. Aircraft and accessories.	X			
28. Office equipment, furnishings, and supplies.	X			
29. Machinery, fixtures, equipment, and supplies used in business.		<b>Mushroom Farming Equipment; Turning Machine, Forklift and various other equipment</b>	-	<b>5,000.00</b>
30. Inventory.	X			
31. Animals.	X			
32. Crops - growing or harvested. Give particulars.	X			
33. Farming equipment and implements.	X			
34. Farm supplies, chemicals, and feed.	X			
35. Other personal property of any kind not already listed. Itemize.	X			

Sub-Total > **5,000.00**  
 (Total of this page)  
 Total > **13,251.77**

Sheet 2 of 2 continuation sheets attached  
 to the Schedule of Personal Property

(Report also on Summary of Schedules)

Case: 10-51475 Doc# 1 Filed: 02/16/10 Entered: 02/16/10 15:54:59 Page 9 of 44

Copyright (c) 1996-2009 - Best Case Solutions - Evanston, IL - (800) 492-8037

Best Case Bankruptcy

In re **Ariel Mushroom Farm, Inc.**

Case No. \_\_\_\_\_

Debtor

**SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is a creditor, the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor", include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H", "W", "J", or "C" in the column labeled "Husband, Wife, Joint, or Community".

If the claim is contingent, place an "X" in the column labeled "Contingent". If the claim is unliquidated, place an "X" in the column labeled "Unliquidated". If the claim is disputed, place an "X" in the column labeled "Disputed". (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion" on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODEBTOR H W J C	Husband, Wife, Joint, or Community	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT X UNLIQUIDATED DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
					Value \$	Subtotal (Total of this page)
Account No.						
Internal Revenue Service - CIO PO Box 21126 Philadelphia, PA 19114	-		Tax Lien (Blanket)  Payroll Taxes		91,863.35	78,611.58
Account No.						
Account No.						
Account No.						
Account No.						
0 continuation sheets attached					91,863.35	78,611.58
					91,863.35	78,611.58

In re **Ariel Mushroom Farm, Inc.**

Case No. \_\_\_\_\_

Debtor

**SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS**

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name, mailing address, including zip code, and last four digits of the account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of the petition. Use a separate continuation sheet for each type of priority and label each with the type of priority.

The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H-Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

Report the total of amounts entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Report the total of amounts not entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts not entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

**TYPES OF PRIORITY CLAIMS** (Check the appropriate box(es) below if claims in that category are listed on the attached sheets) **Domestic support obligations**

Claims for domestic support that are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such a child, or a governmental unit to whom such a domestic support claim has been assigned to the extent provided in 11 U.S.C. § 507(a)(1).

 **Extensions of credit in an involuntary case**

Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(3).

 **Wages, salaries, and commissions**

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$10,950\* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

 **Contributions to employee benefit plans**

Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(5).

 **Certain farmers and fishermen**

Claims of certain farmers and fishermen, up to \$5,400\* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(6).

 **Deposits by individuals**

Claims of individuals up to \$2,425\* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(7).

 **Taxes and certain other debts owed to governmental units**

Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).

 **Commitments to maintain the capital of an insured depository institution**

Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507 (a)(9).

 **Claims for death or personal injury while debtor was intoxicated**

Claims for death or personal injury resulting from the operation of a motor vehicle or vessel while the debtor was intoxicated from using alcohol, a drug, or another substance. 11 U.S.C. § 507(a)(10).

\* Amounts are subject to adjustment on April 1, 2010, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

In re **Ariel Mushroom Farm, Inc.**

Case No. \_\_\_\_\_

Debtor

**SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS**  
(Continuation Sheet)

**Taxes and Certain Other Debts  
Owed to Governmental Units**
**TYPE OF PRIORITY**

CREDITOR'S NAME, AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions.)	CODE DEBTOR H W J C	Husband, Wife, Joint, or Community	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	TYPE OF PRIORITY				AMOUNT NOT ENTITLED TO PRIORITY, IF ANY	AMOUNT ENTITLED TO PRIORITY
				C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	T E D		
Account No.									
<b>State of California Department of Industrial Relations Cashiering Accounting Unit - OSHA San Francisco, CA 94142-0603</b>	-							<b>0.00</b>	
Account No.								<b>14,720.00</b>	<b>14,720.00</b>
Account No.									
Account No.									
Account No.									
Account No.									
Sheet <u>1</u> of <u>1</u> continuation sheets attached to Schedule of Creditors Holding Unsecured Priority Claims				Subtotal (Total of this page)				<b>0.00</b>	
								<b>14,720.00</b>	<b>14,720.00</b>
				Total (Report on Summary of Schedules)				<b>0.00</b>	
								<b>14,720.00</b>	<b>14,720.00</b>

In re Ariel Mushroom Farm, Inc.,  
Debtor

Case No. \_\_\_\_\_

## SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODEBTOR	Husband, Wife, Joint, or Community	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
Account No.							
<b>Bayshore International Trucks PO Box 894192 Los Angeles, CA 90189</b>	-		<b>Trade Debt</b>				<b>370.39</b>
Account No.							
<b>Bettencourt Commodities, Inc. 4140 Southside Road Hollister, CA 95023</b>	-		<b>Trade Debt</b>				<b>9,844.87</b>
Account No.							
<b>Central Welder's Supply, Inc. PO Box 1328 Watsonville, CA 95076</b>	-		<b>Trade Debt</b>				<b>534.57</b>
Account No.							
<b>Cintas First Aid &amp; Safety PO Box 349055 Sacramento, CA 95834-9055</b>	-		<b>Trade Debt</b>				<b>497.70</b>
<b>Subtotal (Total of this page)</b>							<b>11,247.53</b>
<b>9</b> continuation sheets attached							

In re **Ariel Mushroom Farm, Inc.**

Case No. \_\_\_\_\_

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODE H W J C	Husband, Wife, Joint, or Community  DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
Account No.		<b>Trade Debt</b>				
<b>Container Consulting Service 455 Maycock Road Gilroy, CA 95020</b>	-					<b>1,969.77</b>
Account No.		<b>Trade Debt</b> <b>State Court Action</b> <b>Case No. CV 164880</b>				
<b>Crop Production Services File 73041 PO Box 60000 San Francisco, CA 94160-3041</b>	-					<b>15,632.75</b>
Account No.		<b>Representing:</b> <b>Crop Production Services</b>				<b>Notice Only</b>
<b>E. Warren Gubler Gubler, Koch, Degn &amp; Gomez, LLP 1110 N. Chinowth Street Visalia, CA 93291</b>						
Account No.		<b>Trade Debt</b>				
<b>Cypress Packaging &amp; Supply Company PO Box 1095 Castroville, CA 95012</b>	-					<b>16,273.30</b>
Account No.		<b>Trade Debt</b>				
<b>D&amp;G Sanitation PO Box 710 Freedom, CA 95019</b>	-					<b>1,546.20</b>
Sheet no. <u>1</u> of <u>9</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims			Subtotal (Total of this page)			<b>35,422.02</b>

In re

**Ariel Mushroom Farm, Inc.**

Case No. \_\_\_\_\_

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODE H W J C	Husband, Wife, Joint, or Community  DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONT INGENT	UNL IQU IDA TE D	DIS PUTED	AMOUNT OF CLAIM
Account No.						
Pacific Credit Services, Inc. PO Box 339 Watsonville, CA 95077		Representing: D&G Sanitation				Notice Only
Account No.		Trade Debt				
D20 Manufacturing PO Box 598 Novato, CA 94948-0598	-					2,037.70
Account No.		Trade Debt				
Dassel's Petroleum, Inc. 31 Wright Road Hollister, CA 95023	-					292.60
Account No.		Legal Fees				
Fine, Boggs & Perkins 2450 S. Cabrillo Highway Half Moon Bay, CA 94019	-					24,630.21
Account No.		Trade Debt				
Florence Filter 530 W. Manville Street Compton, CA 90220	-					1,086.32
Sheet no. <u>2</u> of <u>9</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims			Subtotal (Total of this page)			<u>28,046.83</u>

In re Ariel Mushroom Farm, Inc.

Case No. \_\_\_\_\_

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODE H W J C	Husband, Wife, Joint, or Community  DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
Account No.						
<b>Golden Eagle Insurance</b> PO Box 85834 San Diego, CA 92186-5837		-				<b>10,449.64</b>
Account No.						
<b>Green Waste Recovery, Inc.</b> 1500 Berger Drive San Jose, CA 95112-2703		-	<b>Trade Debt</b>			<b>1,151.22</b>
Account No.						
<b>Grunsky, Ebey, Farrar &amp; Howell</b> 240 Westgate Drive Watsonville, CA 95076		-	<b>Legal Services</b>			<b>5,804.07</b>
Account No.						
<b>Hutchinson &amp; Bloodgood</b> 7676 Hazard Center Drive, Suite 1150 San Diego, CA 92108		-	<b>Accounting Services</b>			<b>1,680.00</b>
Account No.						
<b>KRM Risk Management</b> PO Box 13129 Fresno, CA 93794-3129		-	<b>Workers Comp Insurance</b>			<b>8,088.00</b>
Sheet no. <u>3</u> of <u>9</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims			Subtotal (Total of this page)			<b>27,172.93</b>

In re Ariel Mushroom Farm, Inc.

Case No. \_\_\_\_\_

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODE H W J C	Husband, Wife, Joint, or Community  DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
Account No.		<b>Trade Debt</b>				
<b>Label &amp; Bar Code, Inc.</b> 4660 Main Street Bldg B-Ste. 360 Springfield, OR 97478	-					2,234.22
Account No.		<b>Trade Debt</b>				
<b>Lambert Peat Moss</b> PO Box 55811 Boston, MA 02205-5811	-					16,757.96
Account No.		<b>Representing:</b> <b>Lambert Peat Moss</b>				<b>Notice Only</b>
<b>Euler Hermes UMA, Inc.</b> 369 Pine Street, Suite 410 San Francisco, CA 94104-3310						
Account No.		<b>Trade Debt</b>				
<b>LDT Ag Enterprises, Inc.</b> PO Box 2227 Watsonville, CA 95077	-					88,412.50
Account No.		<b>Trade Debt</b>				
<b>LF Lambert</b> 1507 Valley Road Coatesville, PA 19320	-					11,883.20
Sheet no. <u>4</u> of <u>9</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims			Subtotal (Total of this page)			<b>119,287.88</b>

In re

**Ariel Mushroom Farm, Inc.**

Case No. \_\_\_\_\_

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODE H W J C	Husband, Wife, Joint, or Community  DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
Account No.		<b>Trade Debt</b>				
Martin Brothers Trucking, Inc. PO Box 21187 Los Angeles, CA 90021	-					64,973.64
Account No.		<b>Trade Debt</b>				
Marx Towing, Inc. 5757 Obata Way PO Box 531 Gilroy, CA 95021	-					700.00
Account No.		<b>Insurance</b>				
McSherry & Hudson PO Box 2690 Watsonville, CA 95077-2690	-					77,105.05
Account No.		<b>Trade Debt</b>				
Mercury Metals PO Box 2317 Watsonville, CA 95077-2317	-					373.17
Account No.		<b>Trade Debt</b>				
Moreno Petroleum Co. PO Box 429 Watsonville, CA 95077	-					4,392.01
Sheet no. <u>5</u> of <u>9</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims			Subtotal (Total of this page)			<b>147,543.87</b>

In re **Ariel Mushroom Farm, Inc.**

Case No. \_\_\_\_\_

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODE H W J C	Husband, Wife, Joint, or Community  DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
Account No.						
<b>Neal Foster Trucking, Inc. 39290 County Road, #16 Woodland, CA 95695</b>	-	<b>State Court Action Case No. CV165927</b>				<b>2,962.00</b>
Account No.						
<b>E. Warren Gubler, Esq. Gubler, Koch, Degn &amp; Gomez, LLP 1110 N. Chinowth Street Visalia, CA 93291</b>		<b>Representing: Neal Foster Trucking, Inc.</b>				<b>Notice Only</b>
Account No.		<b>Trade Debt</b>				
<b>Pajaro Valley Water Management 36 Brennan Street Watsonville, CA 95076</b>	-					<b>50,220.28</b>
Account No.		<b>Trade Debt</b>				
<b>Premiere Horticulture PO Box 49106 San Jose, CA 95161-9106</b>	-					<b>16,079.36</b>
Account No.		<b>Insurance</b>				
<b>Premium Financing Specialists PO Box 100302 Pasadena, CA 91189</b>	-					<b>2,016.27</b>
Sheet no. <b>6</b> of <b>9</b> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims			Subtotal (Total of this page)			<b>71,277.91</b>

In re **Ariel Mushroom Farm, Inc.**

Case No. \_\_\_\_\_

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODE H W J C	Husband, Wife, Joint, or Community  DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
Account No.		<b>Trade Debt</b>				
Quinn Cat 10006 Rose Hills Road City of Industry, CA 90601-1702	-					783.15
Account No.		<b>Insurance State Court Action; Case No. CV09-5347</b>				
RFK Farm Workers Medical Plan PO Box 515317 Los Angeles, CA 90051-6617	-					71,822.74
Account No.		<b>Representing: RFK Farm Workers Medical Plan</b>				
Peter S. Dickinson, Esq. Bush, Gottlieb, Singer, Lopez, Kohansi, Adelstein & Dickinson 500 N. Center Avenue, Suite 800 Glendale, CA 91203-3345						Notice Only
Account No.		<b>Trade Debt</b>				
Road Machinery PO Box 66633 Phoenix, AZ 85082	-					621.27
Account No.		<b>Trade Debt State Court Action; Case No. 109CV148053</b>				
Robert Mann Packaging, Inc. 555 Maycock Road Gilroy, CA 95020	-					24,287.40
Sheet no. <u>7</u> of <u>9</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims			Subtotal (Total of this page)			<b>97,514.56</b>

In re Ariel Mushroom Farm, Inc.

Case No. \_\_\_\_\_

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODE H W J C	Husband, Wife, Joint, or Community  DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
Account No.						
Effie F. Anastassiou, Esq Anastassiou & Associates PO Box 2210 242 Capitol Street Salinas, CA 93902		Representing: Robert Mann Packaging, Inc.				Notice Only
Account No.		Trade Debt				
RSA Soil Products 6020 20th Street Riverside, CA 92509	-					6,195.00
Account No.		Trade Debt				
Simmen Lumber 7641 Wilbur Way Sacramento, CA 95828	-					4,402.83
Account No.		Trade Debt				
Smurfit-Stone 14079 Collection Center Drive Chicago, IL 60693	-					27,346.00
Account No.		Representing: Smurfit-Stone				
CST Co., Inc. CST Building PO Box 33127 Louisville, KY 40232-3127						Notice Only
Sheet no. <u>8</u> of <u>9</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims		Subtotal (Total of this page)				<u>37,943.83</u>

In re **Ariel Mushroom Farm, Inc.**

Case No. \_\_\_\_\_

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODE H W J C	Husband, Wife, Joint, or Community  DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
			C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	
Account No.		Trade Debt				
<b>Soil Control Labs 42 Hangar Way Watsonville, CA 95076</b>	-					<b>1,875.00</b>
Account No.		Trade Debt				
<b>Sylvan America, Inc. PO Box 643643 Pittsburgh, PA 15264-3643</b>	-					<b>19,797.00</b>
Account No.		Representing: <b>Sylvan America, Inc.</b>				<b>Notice Only</b>
<b>Vericore 10115 Kincey Avenue, Suite 100 Huntersville, NC 28078</b>						
Account No.						
<b>Tanner Development Attn: Doug Tanner 70 Magnolia Drive Watsonville, CA 95076</b>	-					<b>7,000.00</b>
Account No.						
Sheet no. <b>9</b> of <b>9</b> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims		Subtotal (Total of this page)				<b>28,672.00</b>
		Total (Report on Summary of Schedules)				<b>604,129.36</b>

In re

**Ariel Mushroom Farm, Inc.**

Case No. \_\_\_\_\_

Debtor

**SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser", "Agent", etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Check this box if debtor has no executory contracts or unexpired leases.

Name and Mailing Address, Including Zip Code,  
of Other Parties to Lease or Contract

Description of Contract or Lease and Nature of Debtor's Interest.  
State whether lease is for nonresidential real property.  
State contract number of any government contract.

In re Ariel Mushroom Farm, Inc.,  
 Case No. \_\_\_\_\_,  
 Debtor

## SCHEDULE H - CODEBTORS

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by debtor in the schedules of creditors. Include all guarantors and co-signers. If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the eight year period immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state, commonwealth, or territory. Include all names used by the nondebtor spouse during the eight years immediately preceding the commencement of this case. If a minor child is a codebtor or a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Check this box if debtor has no codebtors.

---

NAME AND ADDRESS OF CODEBTOR

---

NAME AND ADDRESS OF CREDITOR

---

**United States Bankruptcy Court**  
**Northern District of California**

In re Ariel Mushroom Farm, Inc.

Debtor(s)

Case No.

Chapter

7

**DECLARATION CONCERNING DEBTOR'S SCHEDULES**

**DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP**

I, the President of the corporation named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of 21 sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date February 16, 2010

Signature /s/ Doug Tanner

**Doug Tanner**  
**President**

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C. §§ 152 and 3571.

**United States Bankruptcy Court**  
**Northern District of California**

In re Ariel Mushroom Farm, Inc.

Debtor(s)

Case No.  
Chapter7

**STATEMENT OF FINANCIAL AFFAIRS**

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. To indicate payments, transfers and the like to minor children, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

*DEFINITIONS*

*"In business."* A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

*"Insider."* The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any owner of 5 percent or more of the voting or equity securities of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; any managing agent of the debtor. 11 U.S.C. § 101.

---

**1. Income from employment or operation of business**

None

State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT	SOURCE
<b>\$2,934,816.96</b>	<b>2009: Ariel Mushroom Farm, Inc.</b>
<b>\$4,815,602.00</b>	<b>2008: Ariel Mushroom Farm, Inc.</b>
<b>\$5,171,400.00</b>	<b>2007: Ariel Mushroom Farm, Inc.</b>

## 2. Income other than from employment or operation of business

None  State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT	SOURCE
--------	--------

## 3. Payments to creditors

None  *Complete a. or b., as appropriate, and c.*

a. *Individual or joint debtor(s) with primarily consumer debts.* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an (\*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and creditor counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS	AMOUNT PAID	AMOUNT STILL OWING
None <input type="checkbox"/>	b. <i>Debtor whose debts are not primarily consumer debts:</i> List each payment or other transfer to any creditor made within <b>90 days</b> immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$5,475. If the debtor is an individual, indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and creditor counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)		

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS/ TRANSFERS	AMOUNT PAID OR VALUE OF TRANSFERS	AMOUNT STILL OWING
<b>Internal Revenue Service - CIO</b> <b>PO Box 21126</b> <b>Philadelphia, PA 19114</b>	<b>See Paragraph 10</b>	<b>\$59,900.00</b>	<b>\$91,863.35</b>

None  c. *All debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR	DATE OF PAYMENT	AMOUNT PAID	AMOUNT STILL OWING
--	-----------------	-------------	-----------------------

#### 4. Suits and administrative proceedings, executions, garnishments and attachments

- None  a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
<b>Crop Production Services, Inc., fka UAP Distribution, Inc. and successor by merger to Western Farm Service, Inc.</b>	<b>Civil Complaint-Contract</b>	<b>Superior Court of California County of Santa Cruz 701 ocean Street, Room 110 Santa Cruz, CA 95060</b>	<b>Judgment entered Sheriff Levy Abstract of Judgment Entered</b>

vs.

**Ariel Mushrooms, Inc., and  
DOES 1 to 50**

**Case No. CV 164880**

**Robert Mann Packaging, Inc. Complaint-Contract**

<b>Superior Court of California County of Santa Clara Civil Court Operations 191 North First Street San Jose, CA 95113</b>	<b>Pending</b>
--	----------------

vs.

**Ariel Mushrooms, Inc.**

**Case No. 109CV148053**

**Trustee of the Robert F.  
Kennedy Medical Plan and  
Trustees of the Juan De La  
Cruz Pension Plan**

**Complaint**

<b>United States District Court Central District of California Western Division 312 N. Spring Street, Room G-8 Los Angeles, CA 90012</b>	<b>Pending</b>
--	----------------

vs.

**Ariel Mushrooms, Inc., a  
California corporation:  
Cecil Douglas Tanner, an  
Individual**

**Case No. CV09-5347**

**Neal Foster Trucking, Inc.**

**Complaint - Contract**

<b>Superior Court of California County of Santa Cruz 701 Ocean Street, Room 110 Santa Cruz, CA 95060</b>	<b>Pending</b>
--	----------------

**vs. Ariel Mushrooms, Inc.  
and Does 1 to 50**

**Case No. CV 165927**

- None  b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON FOR WHOSE  
BENEFIT PROPERTY WAS SEIZED

DATE OF SEIZURE

DESCRIPTION AND VALUE OF  
PROPERTY

## 5. Repossessions, foreclosures and returns

- None  List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR OR SELLER	DATE OF REPOSSESSION, FORECLOSURE SALE, TRANSFER OR RETURN	DESCRIPTION AND VALUE OF PROPERTY
--	--	-----------------------------------

## 6. Assignments and receiverships

- None  a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE	DATE OF ASSIGNMENT	TERMS OF ASSIGNMENT OR SETTLEMENT
------------------------------	--------------------	-----------------------------------

- None  b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CUSTODIAN	NAME AND LOCATION OF COURT CASE TITLE & NUMBER	DATE OF ORDER	DESCRIPTION AND VALUE OF PROPERTY
-------------------------------	--	---------------	-----------------------------------

## 7. Gifts

- None  List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON OR ORGANIZATION	RELATIONSHIP TO DEBTOR, IF ANY	DATE OF GIFT	DESCRIPTION AND VALUE OF GIFT
--	--------------------------------	--------------	-------------------------------

## 8. Losses

- None  List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case.** (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS
-----------------------------------	--	--------------

## 9. Payments related to debt counseling or bankruptcy

- None  List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of the petition in bankruptcy within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYOR IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
<b>Henry B. Niles III 340 Soquel Ave. Suite 105 Santa Cruz, CA 95062</b>	<b>September 15, 2009</b>	<b>\$5000.00 plus filing fee and costs</b>

## 10. Other transfers

None

- a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFeree, RELATIONSHIP TO DEBTOR	DATE	DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED
<b>Basciani Foods</b> 944 Penn Green Road Avondale, PA 19311 No relation	<b>November 24, 2009</b>	<b>Equipment: Slicer</b> <b>\$22,000.00 (Proceeds forwarded to IRS to reduce debt)</b>
<b>South Valley Mushroom Farm</b> 1220 Diana Avenue Morgan Hill, CA 95037 No Relationship	<b>December 3, 2009</b>	<b>Equipment: Steam Boiler</b> <b>\$12,500.00 (Proceeds forwarded to IRS to reduce debt)</b>
<b>Juan QuinorZ</b>  <b>No Relationship</b>	<b>December 28, 2009</b>	<b>Equipment: Kotmatsu WA 180 and Gehel 4678 Skidder</b> <b>\$8500.00 (Proceeds forwarded to IRS to reduce debt)</b>
<b>AMD-Craig Buford</b> PO Box 2110 Watsonville, CA 95076 No Relationship	<b>1/26/10</b>	<b>Equipment: Forklift</b> <b>\$4,400.00 (Proceeds forwarded to the IRS to reduce tax debt)</b>
<b>Royal Oaks Enterprises, Inc.</b>  <b>No Relationship</b>	<b>11/11/09</b>	<b>Equipment: Peat Mixer</b> <b>\$12,500.00 (Proceeds forwarded to the IRS to reduce tax debt)</b>

None

- b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

NAME OF TRUST OR OTHER DEVICE	DATE(S) OF TRANSFER(S)	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR'S INTEREST IN PROPERTY

## 11. Closed financial accounts

None

- List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF INSTITUTION	TYPE OF ACCOUNT, LAST FOUR DIGITS OF ACCOUNT NUMBER, AND AMOUNT OF FINAL BALANCE	AMOUNT AND DATE OF SALE OR CLOSING

## 12. Safe deposit boxes

None

- List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY	NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITORY	DESCRIPTION OF CONTENTS	DATE OF TRANSFER OR SURRENDER, IF ANY

### 13. Setoffs

- None  List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATE OF SETOFF	AMOUNT OF SETOFF
------------------------------	----------------	------------------

### 14. Property held for another person

- None  List all property owned by another person that the debtor holds or controls.

NAME AND ADDRESS OF OWNER	DESCRIPTION AND VALUE OF PROPERTY	LOCATION OF PROPERTY
---------------------------	-----------------------------------	----------------------

### 15. Prior address of debtor

- None  If the debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS	NAME USED	DATES OF OCCUPANCY
---------	-----------	--------------------

### 16. Spouses and Former Spouses

- None  If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight years** immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME

### 17. Environmental Information.

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law

- None  a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
-----------------------	---------------------------------------	----------------	-------------------

- None  b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
-----------------------	---------------------------------------	----------------	-------------------

- None  c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

<b>NAME AND ADDRESS OF GOVERNMENTAL UNIT</b>	<b>DOCKET NUMBER</b>	<b>STATUS OR DISPOSITION</b>
--	----------------------	------------------------------

**18 . Nature, location and name of business**

None

a. If the debtor is an individual, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

**LAST FOUR DIGITS OF**

**SOCIAL-SECURITY OR**

**OTHER INDIVIDUAL**

**TAXPAYER-I.D. NO.**

<b>NAME</b>	<b>(ITIN)/ COMPLETE EIN</b>	<b>ADDRESS</b>
-------------	-----------------------------	----------------

<b>BEGINNING AND</b>	<b>ENDING DATES</b>
----------------------	---------------------

None

b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

<b>NAME</b>	<b>ADDRESS</b>
-------------	----------------

The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership, a sole proprietor or self-employed in a trade, profession, or other activity, either full- or part-time.

*(An individual or joint debtor should complete this portion of the statement **only** if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)*

**19. Books, records and financial statements**

None

a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

<b>NAME AND ADDRESS</b>	<b>DATES SERVICES RENDERED</b>
-------------------------	--------------------------------

**Hutchinson & Bloodgood**

**Lee Hana**

**17 Aspen Way**

**Watsonville, CA 95076**

**2003 to Present**

None

b. List all firms or individuals who within the **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

<b>NAME</b>	<b>ADDRESS</b>	<b>DATES SERVICES RENDERED</b>
-------------	----------------	--------------------------------

**Hutchinson & Bloodgood**

**Lee Hana**

**17 Aspen Way**

**Watsonville, CA 95076**

**2003 to Present**

None

c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME  
**Hutchinson & Bloodgood**

ADDRESS  
**Lee Hana  
17 Aspen Way  
Watsonville, CA 95076**

- None    d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

NAME AND ADDRESS

DATE ISSUED

**20. Inventories**

- None    a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

DATE OF INVENTORY

INVENTORY SUPERVISOR

DOLLAR AMOUNT OF INVENTORY  
(Specify cost, market or other basis)

- None    b. List the name and address of the person having possession of the records of each of the two inventories reported in a., above.

DATE OF INVENTORY

NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY RECORDS

**21 . Current Partners, Officers, Directors and Shareholders**

- None    a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NAME AND ADDRESS

NATURE OF INTEREST

PERCENTAGE OF INTEREST

- None    b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS

TITLE

NATURE AND PERCENTAGE  
OF STOCK OWNERSHIP

**Doug Tanner****President****100%****22 . Former partners, officers, directors and shareholders**

- None    a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME

ADDRESS

DATE OF WITHDRAWAL

- None    b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS

TITLE

DATE OF TERMINATION

**23 . Withdrawals from a partnership or distributions by a corporation**

- None    If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

NAME & ADDRESS  
OF RECIPIENT,  
RELATIONSHIP TO DEBTOR

DATE AND PURPOSE  
OF WITHDRAWAL

AMOUNT OF MONEY  
OR DESCRIPTION AND  
VALUE OF PROPERTY

**24. Tax Consolidation Group.**

- None  If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

NAME OF PARENT CORPORATION

TAXPAYER IDENTIFICATION NUMBER (EIN)

**25. Pension Funds.**

- None  If the debtor is not an individual, list the name and federal taxpayer identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case.

NAME OF PENSION FUND

TAXPAYER IDENTIFICATION NUMBER (EIN)

**DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP**

I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date February 16, 2010

Signature /s/ Doug Tanner  
**Doug Tanner**  
**President**

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

*Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571*

**United States Bankruptcy Court**  
**Northern District of California**

In re Ariel Mushroom Farm, Inc.

Debtor(s)

Case No.

Chapter

7

**DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR(S)**

1. Pursuant to 11 U.S.C. § 329(a) and Bankruptcy Rule 2016(b), I certify that I am the attorney for the above-named debtor and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

For legal services, I have agreed to accept .....	\$ <u>5,000.00</u>
Prior to the filing of this statement I have received .....	\$ <u>5,000.00</u>
Balance Due .....	\$ <u>0.00</u>

2. \$ 299.00 of the filing fee has been paid.

3. The source of the compensation paid to me was:

Debtor       Other (specify):

4. The source of compensation to be paid to me is:

Debtor       Other (specify):

5.  I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation is attached.

6. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

- a. Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;
- b. Preparation and filing of any petition, schedules, statement of affairs and plan which may be required;
- c. Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof;
- d. [Other provisions as needed]

7. By agreement with the debtor(s), the above-disclosed fee does not include the following service:

**CERTIFICATION**

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

Dated: February 16, 2010

/s/ Henry B. Niles, III

Henry B. Niles, III

Henry B. Niles III

340 Soquel Ave.

Suite 105

Santa Cruz, CA 95062

831-457-4545 Fax: 831-457-4555

**United States Bankruptcy Court**  
**Northern District of California**

In re Ariel Mushroom Farm, Inc.

Debtor(s)

Case No.

Chapter

7

**VERIFICATION OF CREDITOR MATRIX**

I, the President of the corporation named as the debtor in this case, hereby verify that the attached list of creditors is true and correct to the best of my knowledge.

Date: February 16, 2010

/s/ Doug Tanner

Doug Tanner/President  
Signer/Title

Date: February 16, 2010

/s/ Henry B. Niles, III

Signature of Attorney  
**Henry B. Niles, III**  
**Henry B. Niles III**  
**340 Soquel Ave.**  
**Suite 105**  
**Santa Cruz, CA 95062**  
**831-457-4545 Fax: 831-457-4555**

Bayshore International Trucks  
PO Box 894192  
Los Angeles, CA 90189

Bettencourt Commodities, Inc.  
4140 Southside Road  
Hollister, CA 95023

Central Welder's Supply, Inc.  
PO Box 1328  
Watsonville, CA 95076

Cintas First Aid & Safety  
PO Box 349055  
Sacramento, CA 95834-9055

Container Consulting Service  
455 Maycock Road  
Gilroy, CA 95020

Crop Production Services  
File 73041  
PO Box 60000  
San Francisco, CA 94160-3041

CST Co., Inc.  
CST Building  
PO Box 33127  
Louisville, KY 40232-3127

Cypress Packaging & Supply Company  
PO Box 1095  
Castroville, CA 95012

D&G Sanitation  
PO Box 710  
Freedom, CA 95019

D2O Manufacturing  
PO Box 598  
Novato, CA 94948-0598

Dassel's Petroleum, Inc.  
31 Wright Road  
Hollister, CA 95023

E. Warren Gubler  
Gubler, Koch, Degn & Gomez, LLP  
1110 N. Chinowth Street  
Visalia, CA 93291

E. Warren Gubler, Esq.  
Gubler, Koch, Degn & Gomez, LLP  
1110 N. Chinowth Street  
Visalia, CA 93291

Effie F. Anastassiou, Esq  
Anastassiou & Associates  
PO Box 2210  
242 Capitol Street  
Salinas, CA 93902

Euler Hermes UMA, Inc.  
369 Pine Street, Suite 410  
San Francisco, CA 94104-3310

Fine, Boggs & Perkins  
2450 S. Cabrillo Highway  
Half Moon Bay, CA 94019

Florence Filter  
530 W. Manville Street  
Compton, CA 90220

Golden Eagle Insurance  
PO Box 85834  
San Diego, CA 92186-5837

Green Waste Recovery, Inc.  
1500 Berger Drive  
San Jose, CA 95112-2703

Grunsky, Ebey, Farrar & Howell  
240 Westgate Drive  
Watsonville, CA 95076

Hutchinson & Bloodgood  
7676 Hazard Center Drive, Suite 1150  
San Diego, CA 92108

Internal Revenue Service - CIO  
PO Box 21126  
Philadelphia, PA 19114

KRM Risk Management  
PO Box 13129  
Fresno, CA 93794-3129

Label & Bar Code, Inc.  
4660 Main Street  
Bldg B-Ste. 360  
Springfield, OR 97478

Lambert Peat Moss  
PO Box 55811  
Boston, MA 02205-5811

LDT Ag Enterprises, Inc.  
PO Box 2227  
Watsonville, CA 95077

LF Lambert  
1507 Valley Road  
Coatesville, PA 19320

Martin Brothers Trucking, Inc.  
PO Box 21187  
Los Angeles, CA 90021

Marx Towing, Inc.  
5757 Obata Way  
PO Box 531  
Gilroy, CA 95021

McSherry & Hudson  
PO Box 2690  
Watsonville, CA 95077-2690

Mercury Metals  
PO Box 2317  
Watsonville, CA 95077-2317

Moreno Petroleum Co.  
PO Box 429  
Watsonville, CA 95077

Neal Foster Trucking, Inc.  
39290 County Road, #16  
Woodland, CA 95695

Pacific Credit Services, Inc.  
PO Box 339  
Watsonville, CA 95077

Pajaro Valley Water Management  
36 Brennan Street  
Watsonville, CA 95076

Peter S. Dickinson, Esq.  
Bush, Gottlieb, Singer, Lopez, Kohansi,  
Adelstein & Dickinson  
500 N. Center Avenue, Suite 800  
Glendale, CA 91203-3345

Premiere Horticulture  
PO Box 49106  
San Jose, CA 95161-9106

Premium Financing Specialists  
PO Box 100302  
Pasadena, CA 91189

Quinn Cat  
10006 Rose Hills Road  
City of Industry, CA 90601-1702

RFK Farm Workers Medical Plan  
PO Box 515317  
Los Angeles, CA 90051-6617

Road Machinery  
PO Box 66633  
Phoenix, AZ 85082

Robert Mann Packaging, Inc.  
555 Maycock Road  
Gilroy, CA 95020

RSA Soil Products  
6020 20th Street  
Riverside, CA 92509

Simmen Lumber  
7641 Wilbur Way  
Sacramento, CA 95828

Smurfit-Stone  
14079 Collection Center Drive  
Chicago, IL 60693

Soil Control Labs  
42 Hangar Way  
Watsonville, CA 95076

State of California  
Department of Industrial Relations  
Cashiering Accounting Unit - OSHA  
San Francisco, CA 94142-0603

Sylvan America, Inc.  
PO Box 643643  
Pittsburgh, PA 15264-3643

Tanner Development  
Attn: Doug Tanner  
70 Magnolia Drive  
Watsonville, CA 95076

Vericore  
10115 Kincey Avenue, Suite 100  
Huntersville, NC 28078

**United States Bankruptcy Court  
Northern District of California**

In re Ariel Mushroom Farm, Inc.

Debtor(s)

Case No.  
Chapter

7

**CORPORATE OWNERSHIP STATEMENT (RULE 7007.1)**

Pursuant to Federal Rule of Bankruptcy Procedure 7007.1 and to enable the Judges to evaluate possible disqualification or recusal, the undersigned counsel for Ariel Mushroom Farm, Inc. in the above captioned action, certifies that the following is a (are) corporation(s), other than the debtor or a governmental unit, that directly or indirectly own(s) 10% or more of any class of the corporation's(s') equity interests, or states that there are no entities to report under FRBP 7007.1:

■ None [*Check if applicable*]

February 16, 2010

Date

/s/ Henry B. Niles, III

Henry B. Niles, III

Signature of Attorney or Litigant  
Counsel for Ariel Mushroom Farm, Inc.

Henry B. Niles III

340 Soquel Ave.  
Suite 105  
Santa Cruz, CA 95062  
831-457-4545 Fax:831-457-4555